

REMARKS

This Preliminary Amendment is filed in order to facilitate processing of the above-identified application and is filed in response to the Office Action dated November 8, 1999 in which the Examiner rejected claims 1-12 under 35 USC §103.

As indicated above, claims 1-12 have been cancelled without prejudice and new claims 13-19 have been added. New claim 13 claims an electronic purse system having a double-structured purse comprising an IC card and first and second terminal groups. The first terminal can transfer money to the IC card, wherein each terminal in the first group includes a first ciphering/deciphering unit which performs ciphering/deciphering of information relating to money utilizing a code number. The second terminal group can transfer money to the IC card, wherein each terminal in the second group does not perform ciphering/deciphering of the information related to money. The IC card, including a) a first purse, b) a second purse, and c) a second ciphering/deciphering unit is for ciphering/deciphering of the information related to money obtained from one of the terminals in the first terminal group utilizing the code number. When making a payment from the first purse, information relating to the money is transferred between the first purse and the one terminal of the first terminal group after ciphering of the information in the first and second ciphering/deciphering units in the IC card and in the terminal of the first terminal group. When making a payment from the second purse, the information related to the money is transferred between the second purse and one of the terminals of the second terminal group without ciphering of the information.

Through the structure of the present invention having an IC card having two purses and having the security of the purses different from one another by using ciphering/deciphering units, as claimed in new claim 13, the present invention provides an

electronic purse system in which high security is provided with one of the purses by using the ciphering/deciphering units whereas a low security function is provided with the second purse. The prior art does not show, teach or suggest the invention as claimed in new claim 13.

Claim 14 claims an IC card applicable to an electronic purse system having a double-structured purse comprising first and second purses and first ciphering/deciphering means. The first purse is for storing a first amount of money therein. The second purse is for storing a second amount of money therein. The first ciphering/deciphering means is for ciphering/deciphering of information relating to money obtained from a first terminal having a second ciphering/deciphering unit and utilizing a code number. When making a payment from the first purse, information is transferred between the first purse and the first terminal after ciphering of the information in the first and second ciphering/deciphering units in the IC card and in the first terminal. When making a payment from the second purse, information is transferred between the second purse and a second terminal without ciphering of the information.

Through the structure of the present invention having first and second purses where only the first purse uses ciphered information, as claimed in claim 14, the present invention provides an IC card which enhances security based upon the type of transaction selected. The prior art does not show, teach or suggest an IC card having two purses with different security features as claimed in claim 14.

Claims 1-12 were rejected under 35 USC §103 as being unpatentable over Yoshida (U.S. Patent No. 4,736,094) alone and in combination with Read ("EFTPROS: Electronic Funds Transfer at Point of Sale", November/December 1989), Lessin et al. (U.S. Patent No. 4,868,376) and Cordonnier ("Smart Card: Present and Future Applications and Techniques", October 1991).

Applicants respectfully traverse the Examiner's rejections of the claims under 35 USC §103. The claims have been reviewed in light of the Office Action, and for reasons which will be set forth below, it is respectfully requested that the Examiner withdraws the rejections to the claims and allows the new claims to issue.

Yoshida appears to disclose a financial transaction processing system comprising an IC card (6) for use in transaction with a financial body, terminals (21e-24e) communicating with the IC card (6) and centers (21-24) provided for each financial body. The IC card (6) comprises a read only memory (2) for storing data for specifying transaction accounts corresponding to a plurality of financial bodies and data of a single secret number common to the financial bodies. When the IC card (6) is inserted into the terminal, a customer can designate a specific account which he wishes to use, by operating a keyboard (20) provided in each of the terminals. In response to such designation, the corresponding account specifying data is read out from the ROM, but if the corresponding account is not stored in the ROM 2, a transaction cannot be made. In addition, the account specifying data as read out and a claimed amount entered by a customer are sent to a center for the financial institutions carrying account where processing for payment is performed. However, if and when the balance is not sufficient, the center instructs the customer to select another account. A random access memory (3) included in the IC card (6) is made to store the amount after payment processing in the center, so that a transaction can be made with a cash dispensing terminal in an offline manner, by using such an IC card (6).

Thus, Yoshida merely discloses a IC card that can access a plurality of accounts using a single secret number. Nothing in Yoshida shows, teaches or suggests that when a first purse is accessed, encryption is necessary whereas when a second purse is accessed, no encryption is necessary as claimed in claims 13 and 14. Rather, Yoshida

merely discloses using a single secret number but does not show, teach or suggest encryption based upon the purse selected.

Read appears to disclose any transaction of a PIN from a terminal to a host requires encryption. The predominant method of encryption currently used is the data encryption standard (DES). DES is a "secret key" system because one aspect of its security relies upon the keys remaining secret. The other aspect of its security arises from the use of a key which is sufficiently long for it to be unfeasible to decrypt a message by trying every key combination because of the time and power required.

Thus, Read merely discloses an encryption system. However, nothing in Read shows, teaches or suggests a IC card having a double purse structure where only one of the purses uses encryption as claimed in claims 13 and 14.

Lessin et al. appears to disclose the memory in the ITC is separated into three areas: system data area, application data area and transaction data area. The system data area contains basic background system information. The application data area contains the program code for each application. The transaction data area contains data used in specific application programs. The memory management service routine supervises and controls the allocation and use of memory in the three data areas as well as provides timing sequences and control signals for proper operation.

Thus, Lessin et al. merely discloses three memory areas. Nothing in Lessin et al. shows, teaches or suggests a system in which a IC card has two purses having different security functions based upon encryption as claimed claims 13 and 14.

Cordonnier appears to disclose a smart card comprising five main components including a processor, a RAM memory used as a working memory, a ROM program memory, a data memory and a communication device.

Thus, Cordonnier merely discloses components of a smart card. Nothing in Cordonnier shows, teaches or suggests any of the features as claimed in claims 13 and 14.

Since nothing in the references taken singularly or in combination shows, teaches or suggests the IC card having two purses and using different security functions based upon which purse is used by using an encryption method as claimed in claims 13 and 14, it is respectfully requested that the Examiner allows new claims 13 and 14.

New claims 15-19 depend from claims 13 and 14 and recite additional features. It is respectfully submitted that these claims are also in condition for allowance for the reasons as set forth above. Therefore, it is respectfully requested that the Examiner allows new claims 15-19.

The prior art of record, which is not relied upon, is acknowledged. The references taken singularly or in combination do not anticipated or make obvious the present invention.

Thus it now appears that the application is in condition for reconsideration and allowance. Reconsideration and allowance at an early date are respectfully requested.

If for any reason the Examiner feels that the application is not now in condition for allowance, it is respectfully requested that the Examiner contacts, by telephone, the applicants' undersigned attorney at the indicated telephone number to arrange for an interview to expedite the disposition of this case.

In the event that any fees are due in connection with this paper, please charge our
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Respectfully submitted,

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